

REPORT
OF
THE HOUSE INTERIM COMMITTEE
ON
FIRE BOARD REGULATION



January, 2002



MISSOURI
HOUSE OF REPRESENTATIVES
JEFFERSON CITY 65101

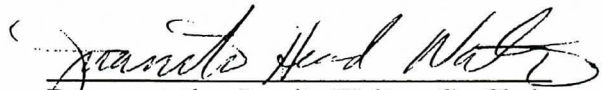
January , 2002

The Honorable Jim Kreider, Speaker
State Capitol Building
Jefferson City, MO 65101

Dear Mr. Speaker:

The House Interim Committee on Fire Board Regulation has met, taken testimony, deliberated, and concluded its study on issues confronting fire boards. The Committee is pleased to submit the attached report.


Representative Thomas George, Co-Chair


Representative Juanita Walton, Co-Chair

**Report of the
House Interim Committee
on
Fire Board Regulation**

Committee Members

**Representative Thomas George
Co-Chair**

**Representative Juanita Walton
Co-Chair**

Representative John Bowman

Representative Jenee' Lowe

Representative Martin Hohulin

Representative Steve Hunter

Representative Patricia Secrest

**Prepared by:
Steve Bauer, House Research Staff**

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INTRODUCTION

In October of this year the Speaker of the House appointed the Interim Committee on Fire Board Regulation to study problems of fire protection districts. The members, together with House staff, gathered information, searched the statutes, and solicited both oral and written testimony from fire boards and other interested citizens. The following hearings were held:

October 29th

State Capitol Building
Jefferson City, MO

November 5th

Florissant Valley Community College
St. Louis, MO

The Committee heard testimony regarding fire protection districts pension plans, state emergency personnel disaster preparedness, audits of fire protection districts, and Missouri's Sunshine Law. A summary of the testimony and committee recommendations are outlined within this report.

House Interim Committee on Fire Board Regulation
October 29, 2001 – Jefferson City, MO

Claire West – Joint Committee on Public Employee Retirement

The Joint Committee on Public Employee Retirement is currently conducting a special review of defined benefit fire protection district pension plans. Of concern are the future expected liabilities coupled with several plans providing lump sum options. In addition to the lump sum option, several plans also offer supplemental benefits which cease upon reaching social security qualification. Unlike general employee plans, public safety plans usually provide a higher benefit formula with lower age and service requirements.

Many public plans, and in particular fire protection districts, are experiencing a shift in demographic trends or what is described as the maturation of a plan. In most fire protection districts, a majority of vested participants are at or near normal retirement eligibility. The utilization of the lump sum option in a mature plan will reduce plan assets at a very rapid pace.

The Joint Committee on Public Employee Retirement expects preliminary results from an outside consulting actuary in December and will provide those results to the House Interim Committee on Fire Board Regulation.

Jerry B. Uhlmann and Jim Wakeman – State Emergency Management Agency

State emergency personnel have been training for incidents such as the one that occurred on September 11 for about 5 years. Most of the training is for fire personnel. Some training has also been for personnel who would respond to weapons of mass destruction. Most of the training is funded by the federal government. The training is targeted for the St. Louis and Kansas City areas, but plans are underway to expand to regional teams based on population. The utility and chemical industries pay for the training in areas related to their industries. Different areas have different needs that are often determined by population.

Bill Farr – State Fire Marshal

The Missouri Division of Fire Safety has several regions within the state which use local funding for fire training. These regions have a mutual aid agreement between regions.

House Interim Committee on Fire Board Regulations
November 5, 2001 – St. Louis, MO

Charles Hatcher and Michelle Thompson – Missouri State Auditor's Office

Fire districts in St. Louis and Greene Counties are required to forward audits to the Auditor's Office. State law requires the audits to be performed every 2 years. The Auditor's office has no oversight over the fire districts and would like to see Section 321.690.3 regarding the filing of the audit with the Auditor's Office repealed.

The Auditor's office does look at tax rates and makes sure that they comply with provisions of the Hancock Amendment.

James Klahr – Missouri State Attorney General's Office

Missouri's Sunshine Law is stated in Section 610, RSMo. It is the public policy of the state that meetings, records, votes, actions, and deliberations of public governmental bodies be open to the public unless otherwise provided by law.

The law sets out specific instances when a meeting, record, or vote may be closed, while stressing these exceptions are to be strictly interpreted to promote the public policy of openness.

Public meetings, including meetings conducted by telephone or other electronic means, are to be held at reasonably convenient times and must be accessible to the public. Meetings should be held in facilities that are accessible to all persons.

The Sunshine Law is enforced through private lawsuits, county prosecutors, and the Attorney General's Office.

Dennis Murray – Local 2665 Fire Fighters

Last year the legislature attempted to change audit requirements from every year to every two years. This legislation is not necessary because it would not reduce the overall cost of the audits. A biennial audit costs approximately \$3,500 and an annual audit costs approximately \$2,000.

COMMITTEE RECOMMENDATIONS

Recommendation 1:

The Committee recommends that the fire protection district boards of trustees obtain an outside actuarial review every five years to evaluate plan experience and actuarial assumptions for reasonableness. The districts may want to consider a separate governing structure for their pension plans. The voluntary compliance with any recommendations as a result of the special review is essential to ensure benefits promised today are adequately funded and do not become a financial burden to the next generation.

Recommendation 2:

The Committee recommends that St. Louis and Greene Counties no longer be required to file a copy of biennial audits with the State Auditor's Office. The State Auditor's Office has no oversight over the fire board audits.

JIM KREIDER
SPEAKER



STATE REPRESENTATIVE
DISTRICT 142

MISSOURI HOUSE OF REPRESENTATIVES

House Interim Committee on Fire Board Regulation

Membership: The Speaker hereby appoints the following Members of the Missouri House of Representatives to the House Interim Committee on Fire Board Regulation:

George—Co-Chairman	Hohulin
Walton—Co-Chairman	Hunter
Bowman	Secrest
Lowe	

Charge: The House Interim Committee on Fire Board Regulation is charged with reviewing the fire protection districts pursuant to Missouri Revised Statutes Chapter 351, including the board of directors policy and procedure regarding recruiting and retention of firefighters.

Hearings: The Committee shall hold no more than four (4) public hearings, one to be held in the State Capitol and the remaining locations to be determined by the Chairman.

Resources: The Committee may use the professional and technical resources of the Committee on Legislative Research, House Research, House Communications, House Information Systems, and House Publications to assist in its fact finding and deliberations.

Report: The Committee shall issue a report and make such recommendations as deemed appropriate under the charge to the Office of the Speaker no later than November 30, 2001. The report shall contain a list of all witnesses and a summary of the testimony received at each public hearing, a summary of the Committee's findings, and any recommendations agreed to by a majority of the members of the Committee. Members may sign their names to the report, however, no dissenting or minority reports shall be included.

Expenses: The reasonable, actual, and necessary expenses of the Committee in furtherance of its charge will be reimbursed from the House Contingency Fund.